



United States  
Department of  
Agriculture

Agricultural  
Marketing  
Service

1400 Independence Ave, SW  
Washington, DC  
20250-0231

SV EXHIBIT 4//  
05-23-07

MA 05 2007

RECEIVED  
05-15-07

Mr. Evan Kinser  
Director, Dairy Policy and Commodity Procurement  
Dean Foods Company  
2515 McKinney Avenue, Suite 1200  
Dallas, Texas 75201

Dear Mr. Kinser:

Thank you for your letter of April 10, 2007, offering proposals seeking to improve marketing conditions in the Appalachian, Florida and Southeast Federal milk marketing orders.

We have determined that your Proposals 1-8 which seek to amend the provisions of the transportation credit balancing funds and lower touchbase requirements and diversion limits of the Appalachian and Southeast orders can be offered as modifications to the proposals contained in the hearing notice announcing a public hearing in Tampa, Florida, beginning May 21, 2007 (72 FR 25986).

After careful review, we do not view Proposal 9 as an acceptable modification of the proposed temporary increases in the Class I prices of the three orders. Proposal 9 is designed to provide only producers who actually deliver milk to distributing plants a greater financial incentive in servicing Class I plants. In this regards, we view payment of the temporary increases in Class I prices to only select producers as a marketwide pooling issue, not a price level issue. Alternatives to marketwide pooling are beyond the scope of this emergency hearing. Accordingly, we are holding this proposal in abeyance.

We look forward to your participation in the hearing.

Sincerely,

David R. Jamison  
Acting Deputy Administrator  
Dairy Programs